

December 6, 1995

David Werdegar, M.D., M.P.H., Director Office of Statewide Health Planning and Development 1600 Ninth Street, Room 433 Sacramento, California 95814

Dear Dr. Werdegar:

Thank you for the opportunity to comment on the 1994 California Hospital Outcomes Report.

While we support the basic concept of the use of valid comparative data, we believe that this report does not provide the public with a complete and fair picture from which comparisons can be made. As you have pointed out in the Overview and Results Summary, the information used in the report does not provide for valid comparisons due to:

- 1) Variations in coding practices utilized by hospitals.
- 2) Diagnosis and procedure codes do not provide a precise picture of the severity of illness or disease.
- 3) The statistical models used to estimate expected values: Complication rates; include conditions that may actually be common postoperative conditions associated with a normal recovery of pre-existing condition.
- 4) Hospitals with low volume may be precluded from any possibility of having a "star" for a significantly than better rating.
- 5) Hospitals with low volume may by chance alone account for the difference between the observed and expected outcomes.
- 6) Diagnosis and procedure codes cannot convey the patient's socio-economic status.
- 7) Only by review of the medical record will the true picture be attained.



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Although we have been characterized as not significantly different than expected, or significantly worse than expected for Model B of lumbar diskectomy; our research indicated that these results were due to the process issues noted above, rather than quality issues.

Sincerely,

Robert J. Wentz Administrator/CEO

RJW/db